

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2018  
(Based on Japanese GAAP)**

April 27, 2018

Company name: MITANI SANGYO CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 8285 URL <http://www.mitani.co.jp/>  
 Representative: President & CEO Tadateru Mitani  
 Inquiries: Senior Managing Director & CFO Seiji Nishino TEL 076-233-2151  
 Scheduled date of ordinary general meeting of shareholders: June 15, 2018  
 Scheduled date to file Securities Report: June 18, 2018  
 Scheduled date to commence dividend payments: June 1, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	80,819	20.9	2,403	3.1	2,972	6.3	2,123	5.6
Year ended March 31, 2017	66,869	(1.3)	2,331	19.4	2,797	28.9	2,010	48.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	37.28	–	7.4	4.6	3.0
Year ended March 31, 2017	35.87	–	7.7	4.8	3.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	72,048	33,246	41.9	529.26
As of March 31, 2017	58,216	29,091	47.5	485.04

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	1,636	(5,389)	4,935	6,321
Year ended March 31, 2017	4,298	(2,071)	(2,404)	5,222

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	–	3.00	–	4.00	7.00	395	19.5	1.5
Year ended March 31, 2018	–	4.00	–	4.00	8.00	455	21.5	1.6
Year ending March 31, 2019 (Forecast)	–	4.00	–	4.00	8.00		27.8	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	37,500	(0.1)	490	(34.3)	700	(30.4)	300	(51.8)	5.27
Full year	83,000	2.7	2,350	(2.2)	2,750	(7.5)	1,640	(22.8)	28.78

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2018	57,176,000 shares	As of March 31, 2017	57,176,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2018	200,305 shares	As of March 31, 2017	200,225 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2018	56,975,735 shares	Year ended March 31, 2017	56,052,876 shares
---------------------------	-------------------	---------------------------	-------------------

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	5,541	6,441
Notes and accounts receivable - trade	16,754	19,960
Accounts receivable from completed construction contracts	2,988	3,221
Merchandise and finished goods	1,758	2,333
Work in process	1,501	2,422
Costs on uncompleted construction contracts	20	28
Raw materials and supplies	674	1,486
Deferred tax assets	310	340
Other	922	1,201
Allowance for doubtful accounts	(1)	(2)
Total current assets	30,470	37,434
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,427	17,190
Accumulated depreciation	(8,451)	(8,766)
Buildings and structures, net	6,975	8,423
Machinery, equipment and vehicles	4,065	4,856
Accumulated depreciation	(2,847)	(3,453)
Machinery, equipment and vehicles, net	1,217	1,402
Tools, furniture and fixtures	1,191	1,271
Accumulated depreciation	(935)	(992)
Tools, furniture and fixtures, net	256	279
Land	3,856	3,861
Leased assets	1,177	885
Accumulated depreciation	(690)	(425)
Leased assets, net	486	459
Construction in progress	113	1,765
Total property, plant and equipment	12,907	16,192
Intangible assets		
Software	675	704
Leased assets	95	162
Telephone subscription right	36	36
Goodwill	–	29
Other	31	28
Total intangible assets	838	960
Investments and other assets		
Investment securities	11,870	15,502
Guarantee deposits	1,155	1,135
Deferred tax assets	9	22
Other	963	800
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	14,000	17,461
Total non-current assets	27,746	34,614
Total assets	58,216	72,048

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	10,602	12,007
Accounts payable for construction contracts	1,353	1,442
Short-term loans payable	9,775	15,057
Lease obligations	252	212
Income taxes payable	338	429
Accrued consumption taxes	157	83
Advances received on uncompleted construction contracts	12	8
Provision for directors' bonuses	106	116
Provision for loss on order received	3	2
Provision for warranties for completed construction	23	33
Provision for shareholder benefit program	19	23
Other	2,223	3,517
<b>Total current liabilities</b>	<b>24,868</b>	<b>32,936</b>
<b>Non-current liabilities</b>		
Long-term loans payable	784	1,134
Deposit received for guarantee	134	137
Lease obligations	391	469
Deferred tax liabilities	1,997	2,439
Provision for directors' retirement benefits	571	594
Net defined benefit liability	211	485
Asset retirement obligations	165	174
Other	–	431
<b>Total non-current liabilities</b>	<b>4,256</b>	<b>5,865</b>
<b>Total liabilities</b>	<b>29,125</b>	<b>38,801</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	4,018	4,018
Capital surplus	3,018	2,996
Retained earnings	17,329	18,997
Treasury shares	(42)	(42)
<b>Total shareholders' equity</b>	<b>24,322</b>	<b>25,969</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,762	4,795
Deferred gains or losses on hedges	(0)	(4)
Foreign currency translation adjustment	(418)	(585)
Remeasurements of defined benefit plans	(30)	(20)
<b>Total accumulated other comprehensive income</b>	<b>3,312</b>	<b>4,185</b>
<b>Non-controlling interests</b>	<b>1,455</b>	<b>3,092</b>
<b>Total net assets</b>	<b>29,091</b>	<b>33,246</b>
<b>Total liabilities and net assets</b>	<b>58,216</b>	<b>72,048</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	66,869	80,819
Cost of sales	54,113	67,166
Gross profit	12,755	13,653
Selling, general and administrative expenses		
Commission Charges	908	1,022
Traveling and transportation expenses	514	561
Directors' compensations	438	465
Employees' salaries	3,150	3,225
Employees' bonuses	841	934
Retirement benefit expenses	164	163
Provision for directors' bonuses	105	113
Provision for directors' retirement benefits	47	59
Welfare expenses	964	1,045
Rent expenses	848	901
Depreciation	570	570
Other	1,868	2,185
Total selling, general and administrative expenses	10,424	11,249
Operating profit	2,331	2,403
Non-operating income		
Interest income	20	39
Dividend income	154	176
Share of profit of entities accounted for using equity method	261	277
Purchase discounts	56	60
Rent income	155	165
Foreign exchange gains	–	49
Other	86	100
Total non-operating income	734	868
Non-operating expenses		
Interest expenses	60	87
Loss on investments in partnership	1	43
Rent expenses	111	119
Foreign exchange losses	36	–
Other	59	49
Total non-operating expenses	268	300
Ordinary profit	2,797	2,972

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Extraordinary income		
Gain on sales of non-current assets	9	3
Gain on sales of investment securities	9	0
Subsidy income	116	–
Compensation for transfer	–	163
Other	–	6
Total extraordinary income	134	174
Extraordinary losses		
Loss on sales of non-current assets	0	52
Loss on retirement of non-current assets	8	73
Loss on valuation of investment securities	4	0
Other	–	1
Total extraordinary losses	14	128
Profit before income taxes	2,918	3,018
Income taxes - current	721	765
Income taxes - deferred	(46)	(57)
Total income taxes	675	708
Profit	2,243	2,310
Profit attributable to non-controlling interests	232	186
Profit attributable to owners of parent	2,010	2,123

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	2,243	2,310
Other comprehensive income		
Valuation difference on available-for-sale securities	866	1,040
Deferred gains or losses on hedges	6	(3)
Foreign currency translation adjustment	(29)	(217)
Share of other comprehensive income of entities accounted for using equity method	20	4
Total other comprehensive income	863	823
Comprehensive income	3,107	3,133
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,877	2,996
Comprehensive income attributable to non-controlling interests	230	136

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,832	2,832	15,654	(42)	22,275
Changes of items during period					
Issuance of new shares	186	186			372
Payments for investments in capital of subsidiaries and associates					-
Dividends of surplus			(335)		(335)
Profit attributable to owners of parent			2,010		2,010
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	186	186	1,674	(0)	2,046
Balance at end of current period	4,018	3,018	17,329	(42)	24,322

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,887	(7)	(391)	(42)	2,446	1,229	25,952
Changes of items during period							
Issuance of new shares							372
Payments for investments in capital of subsidiaries and associates							-
Dividends of surplus							(335)
Profit attributable to owners of parent							2,010
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	874	6	(26)	12	866	225	1,092
Total changes of items during period	874	6	(26)	12	866	225	3,138
Balance at end of current period	3,762	(0)	(418)	(30)	3,312	1,455	29,091



Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,018	3,018	17,329	(42)	24,322
Changes of items during period					
Issuance of new shares					–
Payments for investments in capital of subsidiaries and associates		(21)			(21)
Dividends of surplus			(455)		(455)
Profit attributable to owners of parent			2,123		2,123
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(21)	1,668	(0)	1,646
Balance at end of current period	4,018	2,996	18,997	(42)	25,969

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,762	(0)	(418)	(30)	3,312	1,455	29,091
Changes of items during period							
Issuance of new shares							–
Payments for investments in capital of subsidiaries and associates							(21)
Dividends of surplus							(455)
Profit attributable to owners of parent							2,123
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	1,033	(3)	(167)	9	872	1,636	2,509
Total changes of items during period	1,033	(3)	(167)	9	872	1,636	4,155
Balance at end of current period	4,795	(4)	(585)	(20)	4,185	3,092	33,246

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	2,918	3,018
Depreciation	1,522	1,608
Amortization of goodwill	–	7
Share of loss (profit) of entities accounted for using equity method	(261)	(277)
Loss (gain) on investments in partnership	1	43
Loss (gain) on valuation of investment securities	4	0
Increase (decrease) in allowance for doubtful accounts	(1)	2
Increase (decrease) in provision for directors' bonuses	67	10
Increase (decrease) in provision for directors' retirement benefits	21	22
Increase (decrease) in net defined benefit liability	58	1
Increase (decrease) in provision for loss on order received	(18)	(0)
Increase (decrease) in provision for shareholder benefit program	0	4
Interest and dividend income	(175)	(215)
Interest expenses	60	87
Loss (gain) on sales of investment securities	(9)	(0)
Loss (gain) on sales of non-current assets	(9)	48
Loss on retirement of non-current assets	8	73
Compensation for removal	–	(163)
Decrease (increase) in notes and accounts receivable - trade	588	(1,751)
Decrease (increase) in inventories	517	(1,023)
Increase (decrease) in notes and accounts payable - trade	368	288
Other, net	(535)	217
Subtotal	5,128	2,002
Interest and dividend income received	186	228
Interest expenses paid	(57)	(88)
Income taxes paid	(959)	(669)
Proceeds from compensation for removal	–	163
Net cash provided by (used in) operating activities	4,298	1,636
Cash flows from investing activities		
Payments into time deposits	(44)	(0)
Proceeds from withdrawal of time deposits	1	184
Purchase of property, plant and equipment	(1,081)	(2,992)
Proceeds from sales of property, plant and equipment	48	55
Purchase of intangible assets	(320)	(245)
Proceeds from sales of land use rights	–	156
Purchase of investment securities	(499)	(1,909)
Proceeds from sales of investment securities	15	0
Payments for investments in capital of subsidiaries and associates	–	(590)
Collection of loans receivable	13	5
Other, net	(202)	(52)
Net cash provided by (used in) investing activities	(2,071)	(5,389)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,652)	5,462
Repayments of finance lease obligations	(293)	(227)
Proceeds from long-term loans payable	53	790
Repayments of long-term loans payable	(542)	(518)
Repayments of installment payables	–	(115)
Proceeds from issuance of common shares	370	–
Cash dividends paid by the parent company	(335)	(455)
Dividends paid to non-controlling interests	(4)	(0)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(2,404)	4,935
Effect of exchange rate change on cash and cash equivalents	(19)	(83)
Net increase (decrease) in cash and cash equivalents	(197)	1,098
Cash and cash equivalents at beginning of period	5,420	5,222
Cash and cash equivalents at end of period	5,222	6,321